

A BILL

To enhance the workforce investment system of the Nation by establishing career advancement accounts, significantly increasing the availability of job training, strengthening one-stop career centers, providing for more effective governance arrangements, integrating existing employment and training programs to avoid duplication and overlap, promoting access to a more comprehensive array of employment and training services, and improving performance accountability, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Workforce Investment Act Amendments of 2007”.

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SEC. 3. REFERENCES.

Except as otherwise expressly provided, wherever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the amendment or repeal shall be considered to be made to a section or other provision of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.).

TITLE I—AMENDMENTS TO TITLE I OF THE WORKFORCE INVESTMENT ACT OF 1998

SEC. 101. DEFINITIONS.

Section 101 (29 U.S.C. 2801) is amended—

(1) by striking paragraphs (13) and (24) and redesignating paragraphs (1) through (12) as paragraphs (3) through (14), and paragraphs (14) through (23) as paragraphs (15) through (24), respectively;

(2) by inserting after “In this title:” the following new paragraphs:

“(1) ACCRUED EXPENDITURES.—The term ‘accrued expenditures’ means charges incurred by recipients of funds under this title for a given period requiring the provision of funds for goods or other tangible property received; services performed by employees, contractors, subgrantees, and other payees; and other amounts becoming owed under programs assisted under this title for which

no current services or performance is required, such as annuities, insurance claims, and other benefit payments.

“(2) ADMINISTRATIVE COST.—

“(A) IN GENERAL.—The term ‘administrative cost’ means expenditures incurred in the performance of administrative functions, as described in subparagraph (B), by State and local boards, direct recipients, including State grant recipients under subtitle B and recipients of awards under subtitle D, local grant recipients, local fiscal agents or local grant subrecipients, and one-stop operators in carrying out activities under this title, including expenses related to program planning, development, monitoring, and evaluation.

“(B) ADMINISTRATIVE FUNCTIONS.—For purposes of this paragraph, expenditures for the performance of administrative functions includes the costs associated with the following:

“(i) Performing general administrative functions and coordination of those functions, including—

“(I) accounting, budgeting, financial and cash management functions and related data processing;

“(II) quality assurance;

“(III) preparing program plans;

“(IV) procurement and purchasing functions;

“(V) property management functions;

“(VI) personnel management functions, including personnel administration, administration of affirmative action plans, and training and staff development;

“(VII) administrative salaries, including clerical and other support staff salaries, in support of administrative functions;

“(VIII) payroll functions;

“(IX) coordinating the resolution of findings arising from audits, reviews, investigations, and incident reports;

“(X) audit functions;

“(XI) legal expenses required in the administration of the program;

“(XII) developing systems and procedures, including information systems, required for these administrative functions;

“(XIII) information systems and related data processing, including participant tracking and performance systems;

“(XIV) preparing reports; and

“(XV) other activities necessary for the general administration of government funds and associated programs.

“(ii) Performing oversight and monitoring responsibilities.

“(iii) Goods and services required for administrative functions of the program, including—

“(I) goods and services such as rental or purchase of equipment;

“(II) office supplies; and

“(III) postage.

“(iv) Facilities where activities are carried out, including—

“(I) costs of rental or ownership;

“(II) utilities; and

“(III) operations and maintenance, including building security and insurance.

“(v) Travel related to carrying out the program, other than travel costs related to the provision of services.

“(vi) Information systems, including the purchase, systems development and operating costs related to—

“(I) personnel;

“(II) procurement;

“(III) purchasing; and

“(IV) property management.

“(vii) Technical assistance.

“(viii) Activities of State and local boards and related councils.

“(ix) Professional organization membership dues.

“(x) Evaluating program results against stated objectives.”;

(3) in paragraph (10) (as so redesignated)—

(A) in subparagraph (B), by striking “and” after the semicolon;

(B) in subparagraph (C)—

(i) by striking “not less than 50 percent of the cost of the training” and inserting “a significant portion of the cost of training, as determined by the local board”; and

(ii) by striking the period and inserting “; and”; and

(C) by adding at the end the following:

“(D) in the case of customized training with an employer in multiple local areas in the State, for which such employer pays a significant portion of the cost of the training, as determined by the Governor.”;

(4) in paragraph (11)(A)(ii)(II) (as so redesignated) by striking “section 134(c)” and inserting “section 121(e)”;

(5) in paragraph (13) (as so redesignated), by inserting “or regional” after “local” in each place it appears.

(6) in paragraph (14) (as so redesignated)—

(A) in subparagraph (A), by striking “section 122(e)(3)” and inserting “section 122”;

(B) in subparagraph (B), by inserting “or” after the semicolon;

(C) by striking subparagraph (C); and

(D) by redesignating subparagraph (D) as subparagraph (C);

(7) in paragraph (25), in subparagraph (B), by striking “higher of—” and all that follows through clause (ii) and inserting “poverty line for an equivalent period;”; and

(8) in paragraph (32), by striking “the Republic of the Marshall Islands, the Federated States of Micronesia,”; and

(9) by striking paragraphs (33), (52), and (53) and redesignating paragraphs (34) through (51) as paragraphs (33) through (50), respectively.

SEC. 102. PURPOSE.

Section 106 (29 U.S.C. 2811) is amended by inserting at the end the following: “It is also the purpose of this subtitle to provide career advancement accounts to enhance the choices and control of participants in obtaining training services that will increase their skills and improve their employment outcomes ”.

SEC. 103. STATE WORKFORCE INVESTMENT BOARDS.

(a) MEMBERSHIP.—

(1) IN GENERAL.—Section 111(b) (29 U.S.C. 2821(b)) is amended—

(A) by amending paragraph (1)(C) to read as follows:

“(C) representatives appointed by the Governor, who are—

“(i)(I) the lead State agency officials with responsibility for the programs and activities that are described in section 121(b) and carried out by one-stop partners;

“(II) in any case in which no lead State agency official has responsibility for such a program or activity, a representative in the State with expertise relating to such program or activity; and

“(III) if not included under subclause (I), the director of the State unit, as defined in section 7(8)(B) of the Rehabilitation Act of 1973 (29 U.S.C. 705(8)(B)), except that in a State that has established 2 or more designated State units to administer the vocational rehabilitation program, the board representative shall be the director of the designated State unit that serves the most individuals with disabilities in the State;

“(ii) the State agency officials responsible for economic development;

“(iii) one or more representatives of business in the State who—

“(I) are owners of businesses, chief executive or operating officers of businesses, and other business executives or employers with optimum policy making or hiring authority, including members of local boards described in section 117(b)(2)(A)(i);

“(II) represent businesses with employment opportunities that reflect employment opportunities in the State; and

“(III) are appointed from among individuals nominated by State business organizations and business trade associations;

“(iv) one or more representatives of labor organizations, who has been nominated by State labor federations or labor organizations in the State; and

“(v) such other representatives and State agency officials as the Governor may designate.”; and

(B) by striking paragraph (3).

(2) CONFORMING AMENDMENT.—Section 111(c) (29 U.S.C. 2821(c)) is amended by striking “subsection (b)(1)(C)(i)” and inserting “subsection (b)(1)(C)(iii)”.

(b) FUNCTIONS.—Section 111(d) (29 U.S.C. 2821(d)) is amended—

(1) in paragraph (2), by striking “section 134(c)” and inserting “section 121(e)”;

(2) by amending paragraph (3) to read as follows:

“(3) development and review of statewide policies affecting the integrated provision of services through the one-stop delivery system described in section 121, including—

“(A) the development of criteria for, and the issuance of, certifications of one-stop centers;

“(B) the development of criteria for the allocation of one-stop center infrastructure funding under section 121(h), and oversight of the use of such funds;

“(C) policies relating to the appropriate roles of one-stop operators, approaches to facilitating equitable and efficient cost allocation in one-stop delivery systems, and strategies for effective outreach to individuals and employers who could benefit from one-stop services; and

“(D) such other matters that may promote statewide objectives for, and enhance the performance of, one-stop delivery systems within the State;”;

(3) in paragraph (4), by inserting “and the development of State criteria relating to the appointment and certification of local boards under section 117” after “section 116”;

(4) in paragraph (5), by striking “adult employment and training activities and youth activities to local areas as permitted under sections 128(b)(3)(B) and 133(b)(3)(B)” and inserting “employment and training activities as permitted under section 133”;

(5) in paragraph (8), by striking “and” after the semicolon;

(6) in paragraph (9)—

(A) by striking “section 503” and inserting “section 136(i)”; and

(B) by striking the period and inserting “; and”; and

(7) by inserting the following new paragraphs after paragraph (9)—

“(10) development of eligibility criteria and priorities for career advancement accounts and development of procedures for the effective administration of such accounts; and

“(11) reviewing and providing comments on the State plans of all one-stop partner programs, where applicable, in order to provide effective strategic leadership in the development of a high-quality, comprehensive statewide workforce investment system.”.

(c) ELIMINATION OF ALTERNATIVE ENTITY AND PROVISION OF AUTHORITY TO HIRE STAFF.—Section 111(e) (29 U.S.C. 2821(e)) is amended to read as follows:

“(e) AUTHORITY TO HIRE STAFF.—The State board may hire staff to assist in carrying out the functions described in subsection (d).”.

SEC. 104. STATE PLAN.

(a) PLANNING CYCLE.—Section 112(a) (29 U.S.C. 2822(a)) is amended by—

(1) striking “127 or”; and

(2) striking “5-year strategy” and inserting “2-year strategy”.

(b) CONTENTS.—Section 112(b) (29 U.S.C. 2822(b)) is amended—

(1) by amending paragraph (7) to read as follows:

“(7) a description of the State criteria for determining the eligibility of training providers in accordance with section 122, including how the State will take into account the performance of providers and whether the training programs relate to occupations that are in demand;”;

(2) in paragraph (8),

(A) in subparagraph (A)—

(i) in clause (ix), by striking “and” after the semicolon;

(ii) by adding the following new clause after clause (x):

“(xi) programs authorized under title II of the Social Security Act (relating to SSDI), title XVI of such Act (relating to SSI), title XIX of such Act (relating to Medicaid), and title XX of such Act (relating to the Social Services Block Grant), title VII of the Rehabilitation Act of 1973 (including State Independent Living Councils), and programs carried out by state agencies relating to mental health, mental retardation, and developmental disabilities; and”;

(B) by amending subparagraph (B) to read as follows:

“(B) a description of common data collection and reporting processes used for the programs and activities described in subparagraph (A) that are one-stop partners, including assurances that such processes utilize quarterly wage records for performance measures relating to entry into employment, retention in employment, and earnings that are applicable to such programs or activities, or, if such records are not being used, an identification of the barriers to such use and a description of how the State will address such barriers within one year of the approval of the plan;”;

(3) in paragraph (11), by striking “sections 127 and 132” and inserting “section 132, including controls and procedures to ensure that the limitations on the costs of administration are not exceeded”;

(4) in paragraph (12)—

(A) in subparagraph (A)—

(i) by striking “for youth activities and adult employment and training activities under sections 128(b)(3)(B) and 133(b)(3)(B)” and inserting “employment and training activities under section 133”; and

(ii) in clause (ii), by inserting “and” after the semicolon;

(B) in subparagraph (B), by striking “; and” and inserting a period;
and

(C) by striking subparagraph (C);

(5) in paragraph (14), by striking “section 134(c)” and inserting “section 121(e)”;

(6) in paragraph (17)—

(A) in subparagraph(A)—

(i) in clause (i), by inserting after “section 132” the following: “, including—

“(I) the eligibility criteria, including additional criteria and priorities, for individuals to receive career advancement accounts in accordance with section 134(c);
and

“(II) a description of the manner in which career advancement accounts will be administered in the State;”;

(ii) in clause (iii), by striking “and”;

(iii) by amending clause (iv) to read as follows:

“(iv) how the State will serve the employment and training needs of dislocated workers (including displaced homemakers and formerly self-employed and transitioning farmers, ranchers, and fisherman), migrant and seasonal farmworkers, low-income individuals (including recipients of public assistance), out-of-school youth, individuals with limited English proficiency,

homeless individuals, ex-offenders, individuals training for nontraditional employment, and other individuals with multiple barriers to employment (including older individuals); and”;

(iv) by inserting after clause (iv) the following:

“(v) how the State will serve the employment and training needs of individuals with disabilities, consistent with section 188 and Executive Order 13217 (42 U.S.C. 12131 note; relating to community-based alternatives for individuals with disabilities) including the provision of outreach, intake, assessments, and service delivery, the development of performance measures, the training of staff, and other aspects of accessibility to program services, consistent with sections 504 and 508 of the Rehabilitation Act of 1973 (29 U.S.C. 794,794d); and”;

(B) in subparagraph (B)—

(i) by striking “, to the extent practicable” and inserting “in accordance with the requirements of the Jobs for Veterans Act (P.L. 107-288)”;

(ii) by striking “and” after the semicolon”;

(7) by striking paragraph (18); and

(8) by adding at the end the following new paragraphs:

“(18) a description of the methodology for determining one-stop partner program contributions for the cost of the infrastructure of one-stop centers under section 121(h)(1) and of the formula for allocating such infrastructure funds to local areas under section 121(h)(3);

“(19) a description of the strategies and programs providing outreach to businesses, identifying the workforce needs of businesses in the State, and ensuring that such needs will be met (including needs of small businesses), which may include the provision of technical assistance to local areas to encourage employers to participate in local workforce development activities; and

“(20) a description of the actions that will be taken by the State to foster communication and partnerships with non-profit organizations (including community and faith-based organizations) that provide employment-related, training, and complementary services, in order to enhance the quality and comprehensiveness of services available to participants under this title.”.

(c) MODIFICATION TO PLAN.—Section 112(d) (29 U.S.C. 2822(d)) is amended by striking “5-year period” and inserting “2-year period”.

SEC. 105. LOCAL WORKFORCE INVESTMENT AREAS.

(a) DESIGNATION OF AREAS.—

(1) CONSIDERATIONS.—Section 116(a)(1)(B) (29 U.S.C. 2831(a)(1)(B)) is amended by adding at the end the following clause:

“(vi) The extent to which such local areas will promote efficiency in the administration and provision of services.”.

(2) AUTOMATIC DESIGNATION.—Section 116(a)(2) (29 U.S.C. 2831(a)(2)) is amended to read as follows:

“(2) AUTOMATIC DESIGNATION.—

“(A) IN GENERAL.—Except as provided in subparagraph (B) of this paragraph and subsection (b), the Governor shall approve a request for designation as a local area from any unit of general local government with a population of 500,000 or more for the 2-year period covered by a State plan under section 112 if such request is made not later than the date of the submission of the State plan.

“(B) CONTINUED DESIGNATION BASED ON PERFORMANCE.—The Governor may deny a request for designation submitted pursuant to subparagraph (A) if such unit of government was designated as a local area for the preceding 2-year period covered by a State plan and the Governor determines that such local area did not perform successfully or sustain fiscal integrity during such period.”.

(3) REPEAL OF TEMPORARY DESIGNATION AND APPEALS.—

(A) REPEAL.—Paragraphs (3) and (5) of section 116(a) (29 U.S.C. 2831(a)(3) and (5)) are repealed.

(B) CONFORMING AMENDMENTS.—

(i) Section 116(a)(4) (29 U.S.C. 2831(a)(4)) is amended by—

(I) redesignating such paragraph as paragraph (3);

(II) striking “(including temporary designation)”;

and

(III) striking “(v)” and inserting “(vi)”.

(ii) Section 116(a)(1)(A) (29 U.S.C. 2831(a)(1)(A)) is amended by striking “paragraphs (2), (3), and (4)” and inserting “this subsection”.

(iii) Section 117(c)(1)(C) (29 U.S.C. 2832(c)(1)(C)) is repealed.

(b) SINGLE LOCAL AREA STATES.—Section 116(b) (29 U.S.C. 2831(b)) is amended to read as follows:

“(b) SINGLE LOCAL AREA STATES.—

“(1) CONTINUATION OF PREVIOUS DESIGNATION.—Notwithstanding subsection (a)(2), the Governor of any State that was a single local area for purposes of this title as of July 1, 2006 may continue to designate the State as a single local area for purposes of this title if the Governor identifies the State as a local area in the State plan under section 112(b)(5).

“(2) NEW DESIGNATION.—The Governor of a State not described in paragraph (1) may designate the State as a single local area if, prior to the submission of the State plan or modification to such plan so designating the State, no local area meeting the requirements for automatic designation under subsection (a)(2) requests such designation as a separate local area.

“(3) EFFECT ON LOCAL PLAN.—In any case in which the local area is the State pursuant to this subsection, the local plan under section 118 shall be submitted to the Secretary for approval as part of the State plan under section 112.”.

(c) REGIONAL PLANNING. —Section 116(c)(1) (29 U.S.C. 2831(c)(1)) is amended by adding at the end the following: “The State may require the local boards for the designated region to prepare a single regional plan that incorporates the elements of the local plan under section 118 and that is submitted and approved in lieu of separate local plans under such section.”.

SEC. 106. LOCAL WORKFORCE INVESTMENT BOARDS.

(a) COMPOSITION.—Section 117(b)(2) (29 U.S.C. 2832(b)(2)) is amended—

(1) in subparagraph (A)—

(A) in clause (i)(II), by inserting “, businesses that are in the leading industries in the local area, and large and small businesses in the local area” after “local area”;

(B) by amending clause (ii) to read as follows:

“(ii) a superintendent of the local secondary school system, and the president or chief executive officer of a postsecondary educational institution serving the local area (including community colleges, where such entities exist);”;

(C) in clause (iii)—

(i) by inserting “one or more” before “representatives”; and

(ii) by inserting “or by labor organizations in the local area” after “federations”;

(D) in clause (iv)—

(i) by inserting “one or more” before “representatives”; and

(ii) by striking the semicolon and inserting “and faith-based organizations; and”;

(E) in clause (v)—

(i) by inserting “one or more” before “representatives”; and

(ii) by striking “; and” and inserting a period; and

(F) by striking clause (vi);

(2) in subparagraph (B), by striking the period and inserting “; and”; and

(3) by adding the following subparagraph:

“(C) except for the individuals described in subparagraph(A)(ii), shall not include any individual who is employed by an entity receiving funds for the provision of services under chapter 5.”.

(b) **AUTHORITY OF BOARD MEMBERS.**—Section 117(b)(3) (29 U.S.C. 2832(b)) is amended—

(1) in the heading, by inserting “AND REPRESENTATION” after “MEMBERS”; and

(2) by adding at the end the following: “The members of the board shall represent diverse geographic sections within the local area.”.

(c) **FUNCTIONS.**—Section 117(d) (29 U.S.C. 2832(d)) is amended—

(1) in paragraph (2), by striking subparagraph (B) and redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively;

(2) in paragraph (4)—

(A) by striking “local programs of youth activities authorized under section 129”; and

(B) by inserting “, and ensure the appropriate use and management of the funds provided under this title for such programs, activities, and system” after “area”; and

(3) after paragraph (8), by inserting the following new paragraph:

“(9) CAREER ADVANCEMENT ACCOUNTS.—The local board shall assist the Governor in ensuring the effective administration of career advancement accounts.”.

(d) AUTHORITY TO ESTABLISH COUNCILS AND ELIMINATION OF REQUIREMENT FOR YOUTH COUNCILS. —Section 117(h) (29 U.S.C. 2832(h)) is amended to read as follows:

“(h) ESTABLISHMENT OF COUNCILS.—The local board may establish councils to provide information and advice to assist the local board in carrying out activities under this title. Such councils may include a council composed of one-stop partners to advise the local board on the operation of the one-stop delivery system, and such other councils as the local board determines are appropriate.”.

(e) REPEAL OF ALTERNATIVE ENTITY PROVISION.—Section 117 (29 U.S.C. 2832) is further amended by striking subsection (i).

SEC. 107. LOCAL PLAN.

(a) PLANNING CYCLE.—Section 118(a) (29 U.S.C. 2833(a)) is amended by striking “5-year” and inserting “2-year”.

(b) CONTENTS.—Section 118(b) (29 U.S.C. 2833(b)) is amended—

(1) by amending paragraph (2) to read as follows:

“(2) a description of the one-stop delivery system to be established or designated in the local area, including a description of how the local board will ensure the continuous improvement of eligible providers of services through the system and ensure that such providers meet the employment needs of local employers and participants;”;

(2) in paragraph (4), by striking “adult and dislocated worker”;

(3) in paragraph (5), by striking “statewide rapid response activities” and inserting “statewide activities”;

(4) by amending paragraph (6) to read as follows:

“(6) (A) a description of the manner in which career advancement accounts will be administered in the local area; and

“(B) a description of how the local area will implement the requirements of section 134(c)(4)(G) relating to ensuring that training services are linked to occupations that are in demand;”;

(5) in paragraph (9), by striking “; and” and inserting a semicolon; and

(6) by redesignating paragraph (10) as paragraph (12) and inserting after paragraph (9) the following:

“(10) a description of the strategies and services that will be initiated in the local area to engage employers, including small employers, in workforce development activities;

“(11) how the local area will serve the employment and training needs of individuals with disabilities, consistent with section 188 and Executive Order 13217 (42 U.S.C. 12131 *note*) including the provision of outreach, intake, assessments, and service delivery, the development of performance measures, the training of staff, and other aspects of accessibility to program services, consistent with sections 504 and 508 of the Rehabilitation Act of 1973 (29 U.S.C. 794, 794d); and”.

SEC. 108. ESTABLISHMENT OF ONE-STOP DELIVERY SYSTEMS.

(a) ONE-STOP PARTNERS.—

(1) REQUIRED PARTNERS.—Section 121(b)(1) (29 U.S.C. 2841(b)(1)) is amended—

(A) in subparagraph (B)—

(i) by striking clauses (ii) and (v);

(ii) by redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively, and by redesignating clauses (vi) through (xii) as clauses (iv) through (x), respectively;

(iii) in clause (ix) (as so redesignated), by striking “and” at the end;

(iv) in clause (x) (as so redesignated), by striking the period and inserting “; and”; and

(v) by inserting after clause (x)(as so redesignated) the following clauses:

“(xi) programs authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), subject to subparagraph (C); and

“(xii) programs authorized under section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)), subject to subparagraph (C)”;

(B) by adding after subparagraph (B) the following:

“(C) DETERMINATION BY THE GOVERNOR.—The programs referred to in clauses (xi) and (xii) of subparagraph (B) shall be included as a required partner for purposes of this title in a State unless the Governor of the State notifies the Secretary and the Secretary of Health and Human Services (in the case of the program referred to in clause (xi) of subparagraph (B)), or the Secretary and the Secretary of Agriculture (in the case of the program referred to in clause (xii) of subparagraph (B)) in writing of a determination by the Governor not to include such programs as required partners for purposes of this title in the State.”.

(2) ADDITIONAL PARTNERS.—Section 121(b)(2)(B) (29 U.S.C. 2841(b)(2)(B)) is amended to read as follows--

“(B) The programs referred to in subparagraph (A) may include—

“(i) employment and training programs administered by the Social Security Administration, including the Ticket-to-Work program (established by Public Law 106-170);

“(ii) programs under part D of title IV of the Social Security Act (42 U.S.C. 451 et seq.) (relating to child support enforcement);

“(iii) programs carried out in the local area for individuals with disabilities, including programs carried out by State agencies relating to mental health, mental retardation, and developmental disabilities, State Medicaid agencies, and Independent Living Centers;

“(iv) programs authorized under the National and Community Service Act of 1990 (42 U.S.C. 1250 et seq.);

“(v) employment and training programs carried out by the Small Business Administration;

“(vi) cooperative extension programs carried out by the Department of Agriculture;

“(vii) employment, training, and literacy services carried out by public libraries; and

“(viii) other appropriate Federal, State, or local programs, including programs in the private sector.”.

(b) PROVISION OF SERVICES.—Subtitle B of title I is amended—

(1) in section 121(d)(2), by striking “section 134(c)” and inserting “subsection (e)”;

(2) by striking subsection (e) of section 121;

(3) by moving subsection (c) of section 134 from section 134, redesignating such subsection as subsection (e), and inserting such subsection (as so redesignated) after subsection (d) of section 121; and

(4) by amending subsection (e) of section 121 (as moved and redesignated by paragraph (3))—

(A) in paragraph (1)(A), by striking “subsection (d)(2)” and inserting “section 134(c)(2)”;

(B) in paragraph (1)(B)—

(i) by striking “subsection (d)” and inserting “section 134(c)”;

(ii) by striking “subsection (d)(4)(G)” and inserting “section 134(c)(4)(G)”;

(C) in paragraph (1)(C), by striking “subsection (e)” and inserting “section 134(d)”;

(D) in paragraph (1)(D), by striking “section 121(b)” and inserting “subsection (b)”;

(E) by amending paragraph (1)(E) to read as follows:

“(E) shall provide access to the information described in section 15(e) of the Wagner-Peyser Act (29 U.S.C. 491-2(e)).”; and

(F) by adding at the end the following new paragraph:

“(4) WAIVER OF REQUIREMENT FOR COMPREHENSIVE CENTER IN EACH LOCAL AREA.—

“(A) IN GENERAL.—The local board may submit a request to the Governor to waive the requirement of paragraph

(2)(A), relating to at least one physical center in a local area where each of the programs, services, and activities described in paragraph (1) are accessible, on the basis that—

“(i) the local area has alternative means through the networks described in paragraph (2)(B) of effectively ensuring access of individuals in the local area to the programs, services and activities of the partners; and

“(ii) there are physical centers in other local areas meeting the requirements of paragraph (2)(A) that are accessible to individuals in the local area.

“(B) APPROVAL BY GOVERNOR.—The Governor, after consultation with the State board, may approve a request for a waiver submitted pursuant to subparagraph (A) if the Governor determines that—

“(i) the local board has demonstrated that the conditions specified in clauses (i) and (ii) of subparagraph (A) have been met; and

“(ii) the number and location of physical centers meeting the requirements of paragraph (2)(A) throughout the State are sufficient, if the waiver is granted, to ensure effective access to such centers for individuals in the State seeking employment and training services.”.

(c) CERTIFICATION AND FUNDING OF ONE-STOP CENTERS —Section 121 (as amended by subsection (b)) is further amended by adding at the end the following new subsections:

“(g) CERTIFICATION OF ONE-STOP CENTERS.—

“(1) IN GENERAL.—The State board shall establish procedures and criteria for periodically certifying one-stop centers for the purpose of awarding the one-stop infrastructure funding described in subsection (h).

“(2) CRITERIA.—The criteria for certification under this subsection shall include minimum standards relating to the scope and degree of service integration achieved by the centers involving the programs provided by the one-stop partners and such other factors relating to the quality and effectiveness of such centers as the State board determines are appropriate.

“(3) EFFECT OF CERTIFICATION.—One-stop centers certified under this subsection shall be eligible to receive the infrastructure grants authorized under subsection (h).

“(h) ONE-STOP INFRASTRUCTURE FUNDING.—

“(1) PARTNER CONTRIBUTIONS.—

“(A) PROVISION OF FUNDS.—Notwithstanding any other provision of law, as determined under subparagraph (B), a portion of the Federal funds provided to the State and areas within the State under the Federal laws authorizing the one-stop partner programs described in subsection (b)(1)(B) and participating additional partner programs described in subsection (b)(2)(B) for a fiscal year shall be provided to the Governor by such programs to carry out this subsection.

“(B) DETERMINATION OF GOVERNOR.—

“(i) IN GENERAL.—Subject to subparagraph (C), the Governor, in consultation with the State board, shall determine the portion of funds to be provided under subparagraph (A) by each one-stop partner and, in making such determination, shall consider the proportionate use of the one-stop centers by each partner, the costs of administration for purposes not related to one-stop centers for each partner, and other relevant factors described in paragraph (3).

“(ii) SPECIAL RULE.—In those States where the State constitution places policy-making authority that is independent of the authority of the Governor in an entity or official with respect to the funds provided for adult education and literacy activities authorized under title II of this Act and for postsecondary vocational education activities authorized under the Carl D. Perkins Vocational and Technical Education Act of 1998, the determination described in clause (i) with respect to such programs shall be made by the Governor with the appropriate entity or official with such independent policy-making authority.

“(C) LIMITATIONS.—

“(i) PROVISION FROM ADMINISTRATIVE FUNDS.—The funds provided under this paragraph by each one-stop partner shall be provided only from funds available for the costs of administration under the program administered by such partner, and shall be subject to the limitations with respect to the portion of funds under such programs that may be used for administration.

“(ii) FEDERAL DIRECT SPENDING PROGRAMS.—Programs that are Federal direct spending programs under section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(c)(8)) shall not, for purposes of this

paragraph, be required to provide an amount in excess of the amount determined to be equivalent to the proportionate use of the one-stop centers by such programs in the State.

“(iii) VOCATIONAL REHABILITATION.—Programs carried out under title I of the Rehabilitation Act of 1973 shall not be required to provide, for purposes of this paragraph, an amount in excess of .75 percent of the amount provided to such programs in the State for a fiscal year.

“(iv) NATIVE AMERICAN PROGRAMS.—Native American programs established under section 166 shall not be subject to the provisions of this subsection. The method for determining the appropriate portion of funds to be provided by such Native American programs to pay for the costs of infrastructure of a one-stop center certified under subsection (g) shall be determined as part of the development of the memorandum of understanding under subsection (c) for the one-stop center and shall be stated in the memorandum.

“(2) ALLOCATION BY GOVERNOR.—From the funds provided under paragraph (1), the Governor shall allocate funds to local areas in accordance with the formula established under paragraph (3) for the purposes of assisting in paying the costs of the infrastructure of one-stop centers certified under subsection (g).

“(3) ALLOCATION FORMULA.—The State board shall develop a formula to be used by the Governor to allocate the funds described in paragraph (1). The formula shall include such factors as the State board determines are appropriate, which may include factors such as the number of centers in the local area that have been certified, the population served by such centers, and the performance of such centers.

“(4) COSTS OF INFRASTRUCTURE.—For purposes of this subsection, the term ‘costs of infrastructure’ means the nonpersonnel costs that are necessary for the general operation of a one-stop center, including the rental costs of the facilities, the costs of utilities and maintenance, and equipment (including adaptive technology for individuals with disabilities).

“(i) OTHER FUNDS.—

“(1) IN GENERAL.—In addition to the funds provided to carry out subsection (h), a portion of funds made available under Federal law authorizing the one-stop partner programs described in subsection (b)(1)(B) and participating partner programs described in subsection (b)(2)(B), or the noncash resources available under such programs shall be used to pay the costs relating to the operation of the one-stop delivery system that are not paid for from the funds

provided under subsection (h), to the extent not inconsistent with the Federal law involved including—

“(A) infrastructure costs that are in excess of the funds provided under subsection (h);

“(B) common costs that are in addition to the costs of infrastructure; and

“(C) the costs of the provision of core services applicable to each program.

“(2) DETERMINATION AND GUIDANCE.—The method for determining the appropriate portion of funds and noncash resources to be provided by each program under paragraph (1) shall be determined as part of the memorandum of understanding under subsection (c). The State board shall provide guidance to facilitate the determination of appropriate allocation of the funds and noncash resources in local areas.”.

SEC. 109. ELIGIBLE PROVIDERS OF TRAINING SERVICES.

Section 122 (29 U.S.C. 2842) is amended to read as follows:

“SEC. 122. IDENTIFICATION OF ELIGIBLE PROVIDERS OF TRAINING SERVICES.

“(a) IN GENERAL.—The Governor, after consultation with the State board, shall establish criteria and procedures regarding the eligibility of providers of training services described in section 134(c)(4) to receive funds provided under section 133(b) for the provision of such training services through career advancement accounts.

“(b) CRITERIA.—The criteria established pursuant to subsection (a) shall take into account the performance of providers of training services with respect to the indicators described in section 136 or other appropriate indicators (taking into consideration the characteristics of the population served and relevant economic conditions), whether the training programs of such providers relate to occupations that are in demand, the information such providers are required to report to State agencies with respect to other Federal and State programs, and such other factors as the Governor determines are appropriate to ensure the quality of services, the accountability of providers, and the informed choice of participants under chapter 5. Such criteria shall require that the provider submit appropriate, accurate, and timely information to the State for purposes of carrying out subsection (d). The criteria shall also provide for periodic review and renewal of eligibility under this section for providers of training services.

“(c) PROCEDURES.—The procedures established under subsection (a) shall identify the application process for a provider of training services to become eligible to receive funds under section 133(b) for the provision of training services through career advancement accounts, and identify the respective roles of the State and local areas in receiving and reviewing applications and in making determinations of eligibility based on the criteria established under this section. The procedures shall also establish a process for a provider of training services to appeal a denial or termination of eligibility under this section that includes an opportunity for a hearing and prescribes appropriate time limits to ensure prompt resolution of the appeal.

“(d) INFORMATION TO ASSIST PARTICIPANTS IN CHOOSING PROVIDERS.—

“(1) IN GENERAL.—In order to facilitate and assist participants under chapter 5 in choosing providers of training services, the Governor shall ensure that appropriate information regarding providers determined eligible under this section in the State, including information regarding the occupations in demand that relate to the training programs of such providers, is provided to the local boards in the State to be made available to such participants and to members of the public through the one-stop delivery system in the State.

“(2) SPECIAL RULE.—An entity that carries out programs under the Act of August 16, 1937 (commonly known as the ‘National Apprenticeship Act’, 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.) shall be included as an eligible provider described in paragraph (1) for so long as such entity remains certified by the Department of Labor.

“(e) AGREEMENTS WITH OTHER STATES.—States may enter into agreements, on a reciprocal basis, to permit eligible providers of training services to accept career advancement accounts provided in another State.

“(f) RECOMMENDATIONS.—In developing the criteria, procedures, and information required under this section, the Governor shall solicit and take into consideration the recommendations of local boards and providers of training services within the State.

“(g) OPPORTUNITY TO SUBMIT COMMENTS.—During the development of the criteria, procedures, and information required under this section, the Governor shall provide an opportunity for interested members of the public, including representatives of business and labor organizations, to submit comments regarding such criteria, procedures, and information.

“(h) ON-THE-JOB TRAINING AND CUSTOMIZED TRAINING EXCEPTION.—

“(1) IN GENERAL.—Providers of on-the-job training or customized training shall not be subject to the requirements of subsections (a) through (g).

“(2) COLLECTION AND DISSEMINATION OF INFORMATION.—A one-stop operator in a local area shall collect such performance information from on-the-job training and customized training providers as the Governor may require, determine whether the providers meet such performance criteria as the Governor may require, and disseminate information identifying providers that meet the criteria as eligible providers, and the performance information, through the one-stop delivery system. Providers determined to meet the criteria shall be considered to be identified as eligible providers of training services.”.

SEC. 110. REPEAL OF PROVISIONS RELATING TO ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.

Section 123 (29 U.S.C. 2843) is repealed.

SEC. 111. REPEAL OF SEPARATE PROGRAM FOR YOUTH ACTIVITIES.

Chapter 4 of subtitle B of title I is repealed.

SEC. 112. EMPLOYMENT AND TRAINING PROGRAM.

(a) TITLE AMENDMENT.—

(1) The title heading of chapter 5 is amended to read as follows:

“CHAPTER 5 -- EMPLOYMENT AND TRAINING ACTIVITIES.”.

(2) CLERICAL AMENDMENT.—The table of contents in section 1(b) is amended by amending the item related to the heading for chapter 5 to read as follows:

“Chapter 5 - Employment and Training Activities”.

(b) GENERAL AUTHORIZATION.—Section 131 (29 U.S.C. 2861) is amended—

(1) by striking “paragraphs (1)(B) and (2)(B) of”; and

(2) by striking “, and dislocated workers,”.

(c) STATE ALLOTMENTS.—

(1) IN GENERAL.—Section 132(a) (29 U.S.C. 2862(a)) is amended to read as follows:

“(a) IN GENERAL.—The Secretary shall—

“(1) reserve 7.5 percent of the amount appropriated under section 137 for a fiscal year, of which—

“(A) not less than 85 percent shall be used for national dislocated worker grants under section 173;

“(B) not more than 10 percent may be used for demonstration projects under section 171; and

“(C) not more than 5 percent may be used to provide technical assistance under section 170; and

“(2) make allotments from 92.5 percent of the amount appropriated under section 137 for a fiscal year in accordance with subsection (b).”.

(2) ALLOTMENT AMONG STATES.—Section 132(b) (29 U.S.C. 2862(b)) is amended to read as follows:

“(b) ALLOTMENT AMONG STATES FOR EMPLOYMENT AND TRAINING ACTIVITIES.—

“(1) RESERVATION FOR OUTLYING AREAS.—

“(A) IN GENERAL.—From the amount made available under subsection (a)(2) for a fiscal year, the Secretary shall reserve not more than 1/4 of 1 percent to provide assistance to outlying areas to carry out employment and training activities and statewide workforce investment activities.

“(B) RESTRICTION.—The Republic of Palau shall cease to be eligible to receive funding under this paragraph upon entering into an agreement for extension of United States educational assistance under the Compact of Free Association (approved by the Compact of Free Association Amendments Act of 2003 (Public Law 108-188)) after the date of enactment of the Workforce Investment Act Amendments of 2007.

“(2) STATES.—Of the remainder of the amount referred to under subsection (a)(2) for a fiscal year that is available after determining the amount to be reserved under paragraph (1), the Secretary shall allot to the States for employment and training activities and for statewide workforce investment activities—

“(A) 26 percent in accordance with paragraph (3); and

“(B) 74 percent in accordance with paragraph (4).

“(3) BASE FORMULA.—

“(A) FISCAL YEAR 2008.—

“(i) IN GENERAL.—Subject to clause (ii), the amount referred to in paragraph (2)(A) shall be allotted for fiscal year 2008 on the basis of the allotment percentage of each State under section 6 of the Wagner-Peyser Act for fiscal year 2007.

“(ii) EXCESS AMOUNTS.—If the amount referred to in paragraph (2)(A) for fiscal year 2008 exceeds the amount that was available for allotment to the States under the Wagner-Peyser Act for fiscal year 2007, such excess amount shall be allotted on the basis of the relative number of individuals in the civilian labor force in each State, compared to the total number of individuals in the civilian labor force in all States, adjusted to ensure that no State receives less than 3/10 of one percent of such excess amount.

“(iii) DEFINITION.—For purposes of this subparagraph, the term ‘allotment percentage’ means the percentage of the amounts allotted to States under section 6 of the Wagner-Peyser Act that is received by the State involved for fiscal year 2007.

“(B) FISCAL YEARS 2009 AND THEREAFTER.—

“(i) IN GENERAL.—Subject to clause (ii), the amount referred to in paragraph (2)(A) shall be allotted for fiscal year 2009 and each fiscal year thereafter on the basis of the allotment percentage of each State under this paragraph for the preceding fiscal year.

“(ii) EXCESS AMOUNTS.—If the amount referred to in paragraph (2)(A) for fiscal year 2009 or any fiscal year thereafter exceeds the amount that was available for allotment under this paragraph for the prior fiscal year, such excess amount shall be allotted on the basis of the relative number of individuals in the civilian labor force in each State, compared to the total number of individuals in the civilian labor force in all States, adjusted to ensure that

no State receives less than 3/10 of one percent of such excess amount.

“(iii) DEFINITION.—For purposes of this subparagraph, the term ‘allotment percentage’ means the percentage of the amounts allotted to States under this paragraph in a fiscal year that is received by the State involved for such fiscal year.

“(4) CONSOLIDATED FORMULA.—

“(A) IN GENERAL.—Subject to subparagraphs (B) and (C), of the amount referred to in paragraph (2)(B)—

“(i) 60 percent shall be allotted on the basis of the relative number of unemployed individuals in each State, compared to the total number of unemployed individuals in all States;

“(ii) 25 percent shall be allotted on the basis of the relative excess number of unemployed individuals in each State, compared to the total excess number of unemployed individuals in all States; and

“(iii) 15 percent shall be allotted on the basis of the relative number of disadvantaged adults in each State, compared to the total number of disadvantaged adults in all States.

“(B) MINIMUM AND MAXIMUM PERCENTAGES.—

“(i) MINIMUM PERCENTAGE.—The Secretary shall ensure that no State shall receive an allotment under this paragraph for a fiscal year that is less than 90 percent of the allotment percentage of the State under this paragraph for the preceding fiscal year.

“(ii) MAXIMUM PERCENTAGE.—Subject to clause (i), the Secretary shall ensure that no State shall receive an allotment for a fiscal year under this paragraph that is more than 130 percent of the allotment of the State under this paragraph for the preceding fiscal year.

“(C) SMALL STATE MINIMUM ALLOTMENT.—Subject to subparagraph (B), the Secretary shall ensure that no State shall receive an allotment under this paragraph that is less than 2/10 of 1 percent of the amount available under subparagraph (A).

“(D) DEFINITIONS.—For the purposes of this paragraph:

“(i) ALLOTMENT PERCENTAGE.—The term ‘allotment percentage’, when used with respect to fiscal year 2008 or a subsequent fiscal year, means a percentage of the amounts described in paragraph (2)(B) that is received through an allotment made under this paragraph for the fiscal year. The term, with respect to fiscal year 2007, means the percentage of the amounts allotted to States under this chapter (as in effect on the day before the date of enactment of the Workforce Investment Act Amendments of 2007).

“(ii) DISADVANTAGED ADULT.—The term ‘disadvantaged adult’ means an individual who is age 22 through 72 who received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the poverty line.

“(iii) EXCESS NUMBER.—The term ‘excess number’ means, when used with respect to the excess number of unemployed individuals within a State, the number that represents the number of unemployed individuals in excess of the lower of—

“(I) 80 percent of the average unemployment rate for all States; or

“(II) 4 1/2 percent of the civilian labor force in the State.”.

(3) REALLOTMENT.—Section 132(c) (29 U.S.C. 2862(c)) is amended—

(A) by amending paragraph (2) to read as follows:

“(2) AMOUNT.—The amount available for reallocation for a program year is equal to the amount by which the unexpended balance at the end of the program year prior to the program year for which the determination is made exceeds 30 percent of the total amount of funds available to the State under this section during such prior program year (including amounts allotted to the State in all prior program years that remained available). For purposes of this paragraph, the expended balance is the amount that is the difference between—

“(A) the total amount of funds available to the State under this section during the program year prior to the program year for which the determination is made (including amounts allotted to the State in all prior program years that remained available); and

“(B) the accrued expenditures during such prior program year.”;

(B) in paragraph (3)—

(i) by striking “for the prior program year” and inserting “for the program year in which the determination is made”; and

(ii) by striking “such prior program year” and inserting “such program year”;

(C) by amending paragraph (4) to read as follows:

“(4) ELIGIBILITY.—For purposes of this subsection, an eligible State means a State that does not have an amount available for reallocation under paragraph (2) for the program year for which the determination under paragraph (2) is made.”; and

(D) in paragraph (5), by striking “obligation” and inserting “accrued expenditure”.

(d) WITHIN-STATE ALLOCATIONS.—

(1) RESERVATION FOR STATE ACTIVITIES.—Section 133(a) (29 U.S.C. 2863(a)) is amended to read as follows:

“(a) RESERVATION FOR STATEWIDE ACTIVITIES.—The Governor of a State may reserve up to 33 percent of the total amount allotted to the State under section 132 for a fiscal year to carry out the statewide activities described in section 134(a).”.

(2) ALLOCATIONS TO LOCAL AREAS.—Section 133(b) (29 U.S.C. 2863(b)) is amended to read as follows:

“(b) ALLOCATIONS TO LOCAL AREAS.—

“(1) IN GENERAL.—Of the amounts allotted to the State under section 132(b)(2) and not reserved under subsection (a)—

“(A) 85 percent of such amounts shall be allocated by the Governor to local areas in accordance with paragraph (2); and

“(B) 15 percent of such amounts shall be allocated by the Governor to local areas in accordance with paragraph (3).

“(2) ESTABLISHED FORMULA.—

“(A) IN GENERAL.—Of the amounts described in paragraph (1)(A), the Governor shall allocate—

“(i) 60 percent on the basis of the relative number of unemployed individuals in each local area, compared to the total number of unemployed individuals in all local areas in the State;

“(ii) 25 percent on the basis of the relative excess number of unemployed individuals in each local area, compared to the total excess number of unemployed individuals in all local areas in the State; and

“(iii) 15 percent shall be allotted on the basis of the relative number of disadvantaged adults in each local area, compared to the total number of disadvantaged adults in all local areas in the State.

“(B) MINIMUM AND MAXIMUM PERCENTAGES.—

The Governor shall ensure that no local area shall receive an allocation for a fiscal year under this paragraph that is less than 90 percent or greater than 130 percent of the allocation percentage of the local area for the preceding fiscal year.

“(C) DEFINITIONS.—

“(i) ALLOCATION PERCENTAGE.—The term ‘allocation percentage’, when used with respect to fiscal year 2008 or a subsequent fiscal year, means a percentage of the amount described in paragraph (1)(A) that is received through an allocation made under this paragraph for the fiscal year. The term, with respect to fiscal year 2007, means the percentage of the amounts allocated to local areas under this chapter (as in effect on the day before the date of enactment of the Workforce Investment Act Amendments of 2007) that is received by the local area involved for fiscal year 2007.

“(ii) DISADVANTAGED ADULT.—The term ‘disadvantaged adult’ means an individual who is age 22 through 72 who received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the poverty line.

“(iii) EXCESS NUMBER.—The term ‘excess number’ means, when used with respect to the excess number of unemployed individuals within a local area, the number that represents the number of unemployed individuals in excess of the lower of—

“(I) 80 percent of the average unemployment rate for all States; or

“(II) 4.5 percent of the civilian labor force in the local area.

“(3) DISCRETIONARY ALLOCATION.—The Governor shall allocate to local areas the amounts described in paragraph (1)(B) based on a formula developed in consultation with the State board and local boards. Such formula shall be objective and geographically equitable and may include such demographic and economic factors as the Governor, after consultation with the State board and local boards, determines are appropriate.

“(4) LOCAL COST LIMITS.—

“(A) IN GENERAL.—Of the amounts allocated to a local area under this subsection for a fiscal year—

“(i) not more than 10 percent of the amount may be used by the local boards for the administrative costs of carrying out local workforce investment activities under this chapter; and

“(ii) not less than 90 percent of the amount shall be used to provide training services in accordance with section 134(d)(4).

“(B) REDUCTION IN TRAINING REQUIREMENT.—

“(i) REQUEST BY GOVERNOR.—The Governor may submit a request to the Secretary to reduce the amount required to be used to provide training services under subparagraph (A)(ii) for one or more local areas in the State based on the economic conditions in such areas. The Governor shall include with such request an assurance that the amounts not used for training services pursuant to such a reduction will be used for the provision of core or intensive services described under paragraphs (2) and (3) of section 134(c) or discretionary services under section 134(d).

“(ii) APPROVAL BY SECRETARY.—The Secretary may approve a request submitted pursuant to clause (i) if the Secretary determines that economic conditions in the affected local areas in the State warrant such approval.”.

(3) REALLOCATION AMONG LOCAL AREAS.—Section 133(c) (29 U.S.C. 2863(c)) is amended—

(A) in paragraph (1), by striking “paragraph (2)(A) or (3) of”;

(B) by amending paragraph (2) to read as follows:

“(2) AMOUNT.—The amount available for reallocation for a program year is equal to the amount by which the unexpended balance at the end of the program year prior to the program year for which the determination is made exceeds 30 percent of the total amount of funds available to the local area under this section during such prior program year (including amounts allotted to the local area in prior program years that remain available). For purposes of this paragraph, the unexpended balance is the amount that is the difference between—

“(A) the total amount of funds available to the local area under this section during the program year prior to the program year for which the determination is made (including amounts allocated to the local area in all prior program years that remained available); and

“(B) the accrued expenditures during such prior program year.”;

(C) by amending paragraph (3)—

(i) by striking “subsection (b)(3)” the first two places it appears and inserting “subsection (b)”;

(ii) by striking “the prior program year” and inserting “the program year in which the determination is made”;

(iii) by striking “such prior program year” and inserting “such program year”; and

(iv) by striking the last sentence; and

(D) by amending paragraph (4) to read as follows:

“(4) ELIGIBILITY.—For purposes of this subsection, an eligible local area means a local area that does not have an amount available for reallocation under paragraph (2) for the program year for which the determination under paragraph (2) is made.”.

(e) USE OF FUNDS FOR EMPLOYMENT AND TRAINING ACTIVITIES.—

(1) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—

(A) IN GENERAL.—Section 134(a)(1) (29 U.S.C. 2864(a)(1)) is amended to read as follows:

“(1) IN GENERAL.—

“(A) REQUIRED USE OF FUNDS.—Not less than 67 percent of the funds reserved by a Governor under section 133(a) shall be used to support One-Stop delivery systems and the provision of core services, and, in addition, may be used to support the provision of intensive services and discretionary one-stop delivery services, in local areas, consistent with the local plan by distributing funds to local areas in accordance with subparagraph (B). Such funds may be used by States to employ State personnel to provide such services in designated local areas in consultation with local boards.

“(B) METHOD OF DISTRIBUTING FUNDS.—The method of distributing funds under this paragraph shall be developed in consultation with the State board and local boards. Such method of distribution, which may include the formula established under section 121(h)(3), shall be objective and geographically equitable, and may include factors such as the number of centers in the local area that have been certified, the population served by such centers, and the performance of such centers.

“(C) OTHER USE OF FUNDS.—Funds reserved by a Governor for a State under section 133(a) and not used under subparagraph (A), may be used for statewide activities described in paragraphs (2) and (3).”.

(B) STATEWIDE ACTIVITIES—Section 134(a) (29 U.S.C. 2864(a)) is amended—

(i) by striking paragraph (2); and

(ii) by redesignating paragraph (3) as paragraph (2) and amending such paragraph to read as follows:

“(2) STATEWIDE ACTIVITIES.—Funds reserved by a Governor for a State as described in section 133(a) may be used for statewide activities including—

“(A) supporting the provision of core services described in section 134(c)(2) in the one-stop delivery system;

“(B) conducting evaluations under section 136(e) of activities authorized under this chapter in coordination with evaluations carried out by the Secretary under section 172, research, and demonstration projects;

“(C) providing incentive grants to local areas for regional cooperation among local boards (including local boards in a designated region as described in section 116(c)), for local coordination of activities carried out under this Act, and for exemplary performance by local areas on the local performance measures;

“(D) providing technical assistance and capacity building to local areas, one-stop operators, one-stop partners, and eligible providers, including the development and training of staff, the development of exemplary program activities, and the provision of technical assistance to local areas that fail to meet local performance measures;

“(E) operating a fiscal and management accountability system under section 136(f);

“(F) carrying out monitoring and oversight of activities carried out under this chapter;

“(G) implementing innovative programs, such as incumbent worker training programs, programs and strategies designed to meet the needs of businesses in the State, including small businesses, and engage employers in workforce activities, and programs serving individuals with disabilities consistent with section 188;

“(H) developing strategies for effectively serving hard-to-serve populations and for integrating programs and services among one-stop partners; and

“(I) carrying out activities to facilitate remote access to services provided through a one-stop delivery system, including facilitating access through the use of technology.”.

(C) LIMITATION ON STATE ADMINISTRATIVE EXPENDITURES.—Section 134(a) is further amended by adding the following new paragraph (3):

“(3) LIMITATION.—Not more than 5 percent of the funds allotted under section 132(b) shall be used by the State for administrative activities carried out under this subsection.”.

(2) LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.—Section 134(b) (29 U.S.C. 2864(b)) is amended—

(A) by striking “under paragraph (2)(A)” and all that follows through “section 133(b)(2)(B)” and inserting “under section 133(b)”;

(B) in paragraphs (1) and (2), by striking “or dislocated workers, respectively”.

(3) TECHNICAL AMENDMENT.—Section 134 is further amended by redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

(4) REQUIRED LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.—

(A) ALLOCATED FUNDS.—Section 134(c)(1) (29 U.S.C. 2864(c)(1)) (as redesignated by paragraph (3)) is amended to read as follows:

“(1) IN GENERAL.—

“(A)(i) Funds allocated to a local area under section 134(a)(1)(A)—

“(I) shall be used to support a one-stop delivery system as described in section 121(e);

“(II) shall be used to provide the core services described in paragraph (2) through the one-stop delivery system in accordance with such paragraph; and

“(III) may be used to provide the intensive services described in paragraph (3) and discretionary services described in subsection (d).

“(ii) Funds allocated to a local area under section 133(b) shall be used to provide training services as described in paragraph (4).”.

(B) CORE SERVICES.—Section 134(c)(2) (29 U.S.C. 2864(c)(2)) (as redesignated by paragraph (3)) is amended—

(i) by striking “paragraph (1)(A)” and inserting “paragraph (1)(A)(i)”;

(ii) by striking “who are adults or dislocated workers”;

(iii) in subparagraph (A), by inserting “and assistance in obtaining eligibility determinations under the other one-stop partner programs through such activities as assisting in the submission of applications, the provision of information on the results of such applications, the provision of intake services and information, and, where appropriate and consistent with the authorizing statute of the one-stop partner program, determinations of eligibility” after “subtitle”

(iv) by amending subparagraph (D) to read as follows:

“(D) labor exchange services, including—

“(i) job search and placement assistance and, where appropriate, career counseling;

“(ii) appropriate recruitment services for employers;
and

“(iii) reemployment services provided to claimants of unemployment compensation, including claimants identified as in need of such services under the worker profiling system established under section 303(j) of the Social Security Act (42 U.S.C. 503(j));”;

(v) in subparagraph (I), by inserting “and the administration of the work test for the unemployment compensation system” after “compensation”;

(vi) by amending subparagraph (J) to read as follows:

“(J) assistance in establishing eligibility for programs of financial aid assistance for training and education programs that are not funded under this Act and are available in the local area; ”;

(vii) by redesignating subparagraph (K) as subparagraph (M); and

(viii) by inserting the following new subparagraphs after subparagraph (J):

“(K) the provision of information, from official publications of the Internal Revenue Service, regarding federal tax credits available to individuals relating to education, job training and employment, including the Hope Scholarship Credit and the Lifetime Learning Credit (26 U.S.C. 25A), and the Earned Income Tax Credit (26 U.S.C. 32);

“(L) services relating to the Work Opportunity Tax Credit (26 U.S.C. 51); and” .

\ (C) INTENSIVE SERVICES.—Section 134(c)(3) (29 U.S.C. 2864(c)(3) (as redesignated by paragraph (3) of this subsection) is amended—

(i) by amending subparagraph (A) to read as follows:

“(A) IN GENERAL.—Funds allocated to a local area under subsection (a)(1)(A)(i) may be used to provide intensive services.”; and

(ii) in subparagraph (C)—

(I) in clause (v), by striking “for participants seeking training services under paragraph (4)”;

(II) by adding the following clauses after clause (vi):

“(vii) Internships and work experience.

“(viii) Literacy activities relating to basic work readiness, information and communication technology literacy activities, and financial literacy activities, if such activities are not available to participants in the local area under programs administered under the Adult Education and Family Literacy Act (20 U.S.C. 2901 et seq.).

“(ix) Out-of-area job search assistance and relocation assistance.”.

(D) TRAINING SERVICES.—Section 134(c)(4) (as redesignated by paragraph (3) of this subsection) is amended—

(i) by amending subparagraph (A) to read as follows:

“(A) CAREER ADVANCEMENT ACCOUNTS.—

“(i) USE OF CAREER ADVANCEMENT ACCOUNTS.—Except as provided in clause (ii), training services authorized under this paragraph shall be provided through the use of career advancement accounts. Recipients of career advancement accounts may use the funds from such accounts to pay for the provision of training services described in subparagraph (D) (including the costs of books and fees directly related to such training) by a training

provider eligible to receive funds under this chapter pursuant to section 122.

“(ii) EXCEPTION.—Training services under this paragraph may be provided pursuant to a contract for services in lieu of a career advancement account if the requirements of subparagraph (F) are met and if the services are—

“(I) on-the-job training with an employer; or

“(II) customized training.”;

(ii) by striking subparagraph (C) and redesignating subparagraph (B) as subparagraph (C);

(iii) by inserting the following new subparagraph (B):

“(B) ELIGIBLE INDIVIDUALS.—

“(i) IN GENERAL.—Funds allocated to a local area under section 133(b) shall be used to provide training services to eligible individuals in accordance with the criteria established in clause (ii).

“(ii) PARTICIPANT ELIGIBILITY CRITERIA.—

“(I) IN GENERAL.—The State shall establish eligibility criteria for individuals to receive training services. Subject to subclause (II), at a minimum, such criteria shall provide that an individual may be eligible to receive training services if such individual is—

“(aa) an unemployed adult;

“(bb) an out-of-school youth as defined in subclause (III); or

“(cc) an employed worker who needs training services to retain employment or to advance in a career.

“(II) ADDITIONAL ELIGIBILITY AND PRIORITY CRITERIA.—A State may establish additional criteria relating to the categories of eligible individuals described in items (aa)-(cc) of subclause (I) in order for individuals to be eligible

to receive training services. A State also may establish criteria for priority in the provision of such services among eligible individuals.

“(III) DEFINITION OF OUT-OF-SCHOOL YOUTH.—For purposes of this clause, the term out-of-school youth means an individual who is—

“(aa) age 16 or 17;

“(bb) a school dropout; and

“(cc) not required to attend school under the applicable State compulsory school age law.”;

(iv) in subparagraph (C)(as redesignated by clause (ii))—

(I) in clause (i),by striking “Except as provided in clause (ii)” and inserting “Notwithstanding section 479B of the Higher Education Act of 1965 (20 U.S.C. 1087uu) and except as provided in clause (iii)”;

(II) by redesignating clause (ii) as clause (iii); and

(III) by adding the following after clause (i):

“(ii) COORDINATION WITH PELL GRANTS.—In determining whether an individual receiving a Federal Pell Grant needs additional assistance for training services under this section in accordance with clause (i)(II) and the amount of assistance such individual is to be provided under a career advancement account in accordance with subparagraph (E), the local area shall take into account, in addition to any other appropriate factors, the amount of need of such individual for the same time period as will be covered by the career advancement account. For purposes of this clause, the individual’s need shall be determined in a manner consistent with section 471 of the Higher Education Act of 1965 (20 U.S.C. 1087kk).”; and

(v) by amending subparagraphs (D)-(G) to read as follows:

“(D) TRAINING SERVICES.—Training services authorized under this paragraph for recipients of career advancement accounts may include—

“(i) occupational skills training;

“(ii) skill upgrading and retraining;

“(iii) entrepreneurial training;

“(iv) education activities leading to a high school diploma or its equivalent, including a General Equivalency Degree, in combination with, concurrently or subsequently, occupational skills training;

“(v) adult education and literacy activities provided in conjunction with other training authorized under this subparagraph;

“(vi) workplace training combined with related instruction; and

“(vii) occupational skills training that incorporates English language acquisition.

“(E) DURATION AND AMOUNT.—An eligible individual may be provided with a career advancement account with an amount not to exceed \$3,000 during any one-year period, and may be provided with such an account for a total period that is not in excess of two years with a total amount not in excess of \$6,000.

“(F) CONSUMER CHOICE REQUIREMENTS.—Training services under this paragraph shall be provided in a manner that maximizes consumer choice in the selection of an eligible provider of such services.

“(G) LINKAGE TO OCCUPATIONS IN DEMAND.—Training services provided under this paragraph shall be directly linked to occupations that are in demand in the local area, or in another area to which an individual receiving such services is willing to relocate, except that a local board may approve training services for occupations determined by the local board to be in sectors of the economy that have a high potential for sustained demand or growth in the local area.”.

(5) PERMISSIBLE ACTIVITIES.—Section 134(d) (as redesignated by paragraph (3)) is amended to read as follows—

“(d) DISCRETIONARY ONE-STOP DELIVERY ACTIVITIES.—Funds available to a local area under subsection (a)(1)(A)(i) may be used to provide, through the one-stop delivery system—

“(1) customized screening and referral of qualified participants in training services to employers;

“(2) customized employment-related services to employers on a fee-for-service basis;

“(3) customer support to navigate among multiple services and activities for special participant populations that face multiple barriers to employment, including individuals with disabilities;

“(4) employment and training assistance provided in coordination with child support enforcement activities of the State agency carrying out subtitle D of title IV of the Social Security Act;

“(5) activities to improve services to local employers, including small employers in the local area, and increase linkages between the local workforce investment system and employers; and

“(6) activities to facilitate remote access to services provided through a one-stop delivery system, including facilitating access through the use of technology.”.

SEC. 113. PERFORMANCE ACCOUNTABILITY SYSTEM.

(a) STATE PERFORMANCE MEASURES.—

(1) IN GENERAL.—Section 136(b)(1) (29 U.S.C. 2871(b)(1)) is amended—

(A) in subparagraph (A)(i), by striking “paragraph (2)(A) and the customer satisfaction indicator of performance described in paragraph (2)(B)” and inserting “paragraph (2)(A)(i)”; and

(B) by amending subparagraph (A)(ii) to read as follows:

“(ii) the secondary indicators of performance as described in paragraph (2)(A)(ii) or the additional indicators of performance (if any) identified under paragraph (2)(B);”.

(2) INDICATORS OF PERFORMANCE.—Section 136(b)(2) (29 U.S.C. 2871(b)(2)) is amended—

(A) in subparagraph (A), by amending the heading to read “IN GENERAL”;

(B) in subparagraph (A)(i)—

(i) by amending the heading to read “CORE INDICATORS”; and

(ii) by striking “(except for self-service and informational activities) and (for participants who are eligible youth age 19 through 21) for youth activities authorized under section 129”;

(C) in subparagraph (A)(i)(II), by inserting “and” after the semicolon;

(D) in subparagraph (A)(i)(III), by striking “; and” and inserting a period;

(E) by striking subparagraph (A)(i)(IV);

(F) by amending subparagraph (A)(ii) to read as follows:

“(ii) SECONDARY INDICATORS.—The secondary indicators of performance for activities authorized under section 134 shall consist of—

“(I) entry into education or advanced training;

“(II) attainment of a secondary school diploma, General Educational Development credential (GED), or certificate; and

“(III) literacy or numeracy gains.”;

(G) by striking subparagraph (B); and

(H) by redesignating subparagraph (C) as subparagraph (B), and by adding at the end of such subparagraph (as so redesignated) the following new sentence: “Such indicators may include customer satisfaction of employers and participants with services received from the workforce investment activities authorized under this subtitle.”.

(3) LEVELS OF PERFORMANCE.—Section 136(b)(3)(A) (29 U.S.C. 2871(b)(3)(A)) is amended—

(A) in clause (i), by striking “paragraph (2)(A) and the customer satisfaction indicator described in paragraph (2)(B)” and inserting “paragraph (2)(A)(i)”;

(B) in clause (ii), by striking “and the customer satisfaction indicator of performance, for the first 3” and inserting “for the 2”;

(C) in clause (iii)—

(i) in the heading, by striking “FOR FIRST 3 YEARS”; and

(ii) by striking “and the customer satisfaction indicator of performance, for the first 3” and inserting “for the 2”;

(D) in clause (iv)—

(i) by striking subclause (I);

(ii) by redesignating subclauses (II) and (III) as subclauses (I) and (II), respectively; and

(iii) in subclause (I) (as so redesignated)—

(I) by striking “taking into account” and inserting “which shall be adjusted based on”;

(II) by inserting “, such as unemployment rates and job losses or gains in particular industries” after “economic conditions”; and

(III) by inserting “, such as indicators of poor work history, lack of work experience, dislocation from high-wage employment, low levels of literacy or English proficiency, disability status, including the number of veterans with disabilities, and welfare dependency” after “program”;

(E) by amending clause (v) to read as follows:

“(v) ESTABLISHMENT OF NATIONAL GOALS.—In order to promote enhanced performance outcomes and to facilitate reaching agreements with the States under clause (iii), the Secretary shall establish long-term national goals for the levels of performance to be achieved by the programs assisted under chapter 5 for the core indicators of performance described in subsection (b)(2)(A). Such goals shall be established in accordance with the Government Performance and Results Act of 1993 and in consultation with the States and other appropriate parties.”; and

(F) in clause (vi)—

(i) in subparagraph (A)—

(I) by striking “or (v)”;

(II) by striking “with the representatives described in subsection (i)” and inserting “the States and other interested parties”;

(ii) in subparagraph (B), by striking “paragraph (2)(C)” and inserting “paragraph (2)(B)”.

(b) LOCAL PERFORMANCE MEASURES.—Section 136(c) (29 U.S.C 2871(c)) is amended—

(1) in paragraph (1)(A)(i), by striking “subsection (b)(2)(A), and the customer satisfaction indicator of performance described in subsection (b)(2)(B),” and inserting “subsection (b)(2)(A)(i) and the secondary indicators of performance described in subsection (b)(2)(A)(ii) ”;

(2) in paragraph (1)(A)(ii), by striking “subsection (b)(2)(C)” and inserting “subsection (b)(2)(B)”;

(3) in paragraph (1)(B), by striking “indicator” and inserting “core indicator of performance”; and

(4) by amending paragraph (3) to read as follows:

“(3) DETERMINATIONS.—In determining such local levels of performance, the local board, the chief elected official, and the Governor shall ensure such levels are adjusted based on the specific economic characteristics (such as unemployment rates and job losses or gains in particular industries), demographic characteristics, or other characteristics of the population to be served in the local area, such as poor work history, lack of work experience, dislocation from high-wage employment, low levels of literacy or English proficiency, disability status, including the number of veterans with disabilities, and welfare dependency.”.

(c) REPORT.—Section 136(d) (29 U.S.C. 2871(d)) is amended—

(1) in paragraph (1)—

(A) by striking “127 or” ; and

(B) by striking “and the customer satisfaction indicator” in both places that it appears and inserting “and the secondary indicators of performance”;

(2) in paragraph (2)(E), by striking “(excluding participants who received only self-service and informational activities)”;

(3) in paragraph (2)(F), by inserting “non-custodial parents with child support obligations, homeless individuals,” after “displaced homemakers,”; and

(4) by adding at the end the following:

“(4) DATA VALIDATION.—In preparing the reports described in this subsection, the States shall establish procedures, consistent with guidelines issued by the Secretary, to ensure the information contained in the report is valid and reliable.”.

(d) SANCTIONS FOR STATE.—Section 136(g) (29 U.S.C. 2871(g)) is amended—

(1) in paragraph (1)(A), by striking “(A) or (B)” and inserting “(A)(i)”; and

(2) in paragraph (2), by striking “section 503” and inserting “section 136(i)”.

(e) SANCTIONS FOR LOCAL AREAS.—Section 136(h) (29 U.S.C. 2871(h)) is amended—

(1) in paragraph (1), by striking “(A) or (B)” and inserting “(A)(i)”; and

(2) by amending paragraph (2)(B) to read as follows:

“(B) APPEAL TO GOVERNOR.—A local area that is subject to a reorganization plan under subparagraph (A) may, not later than 30 days after receiving notice of the reorganization plan, appeal to the Governor to rescind or revise such plan. In such case, the Governor shall make a final decision not later than 30 days after the receipt of the appeal.”; and

(3) by striking subparagraph (C).

(f) INCENTIVE GRANTS.—Section 136(i) (29 U.S.C. 2871(i)) is amended to read as follows:

“(i) INCENTIVE GRANTS FOR STATES AND LOCAL AREAS.—

“(1) INCENTIVE GRANTS FOR STATES.—

“(A) IN GENERAL.—From funds appropriated under section 174, the Secretary may award grants to States for exemplary performance in carrying out programs under chapter 5 of this subtitle. Such awards may be based on States exceeding the performance measures established under this section, on the performance of the State in serving special populations, including the levels of service provided and the performance outcomes, and on such other factors relating to the performance of the State under this title as the Secretary determines is appropriate.

“(B) USE OF FUNDS.—The funds awarded to a State under this paragraph may be used to carry out any activities authorized under chapter 5 of this subtitle, including demonstrations and innovative programs for special populations.

“(2) INCENTIVE GRANTS FOR LOCAL AREAS.—

“(A) IN GENERAL.—From funds reserved under section 133(a), the Governor may award incentive grants to local areas for exemplary performance with respect to the measures established under this section and with respect to the performance of the local area in serving special populations, including the levels of service and the performance outcomes.

“(B) USE OF FUNDS.—The funds awarded to a local area may be used to carry out activities authorized for local areas under chapter 5 of this subtitle, and such demonstration or other innovative programs to serve special populations as may be approved by the Governor.”.

(g) USE OF CORE INDICATORS FOR OTHER PROGRAMS.—Section 136 (29 U.S.C. 2871) is further amended by adding at the end the following subsection:

“(j) USE OF CORE INDICATORS FOR OTHER PROGRAMS.—In addition to the programs carried out under chapter 5, and consistent with the requirements of the applicable authorizing laws, the Secretary shall use the core indicators of performance described in subsection (b)(2)(A)(i) to assess the effectiveness of the programs described under section 121(b)(1)(B) that are carried out by the Secretary.”.

(h) REPEAL OF DEFINITIONS.—Sections 502 and 503 (and the items related to such sections in the table of contents) are repealed.

SEC. 114. AUTHORIZATION OF APPROPRIATIONS.

Section 137 (29 U.S.C. 2982) is amended to read as follows:

“SEC. 137. AUTHORIZATION OF APPROPRIATIONS FOR FORMULA PROGRAM

“There are authorized to be appropriated to carry out the activities described in section 132(a) such sums as may be necessary for each of fiscal years 2008 through 2012.”.

SEC. 115. JOB CORPS.

(a) ELIGIBILITY.—Section 144(1) (29 U.S.C. 2884(1)) is amended to read as follows:

“(1) not less than the age of 16 and not more than the age of 21 on the date of enrollment, except that not more than 20 percent of individuals enrolled in the Job Corps may be not less than age 22 and not more than age 24 on the date of enrollment;”.

(b) ASSIGNMENT OF ENROLLEES.—Subsections (c) and (d) of section 145 (29 U.S.C. 2885(c) and (d)) are amended to read as follows;

“(c) ASSIGNMENT PLAN.—Every two years, the Secretary shall develop and implement an assignment plan for assigning enrollees to Job Corps centers.

“(d) ASSIGNMENT OF INDIVIDUAL ENROLLEES.—After an individual has been selected in accordance with the standards and procedures of the Secretary under subsection (a), the enrollee shall be assigned to the Job Corps center that best meets the career technical training goals and occupational track chosen by the enrollee.”.

(c) CIVILIAN CONSERVATION CENTERS.—Section 147(c)(2) (29 U.S.C. 2887(c)(2)) is amended by inserting “or if the Secretary determines, after consultation with the Secretary of Agriculture and the Secretary of the Interior, that such competition would promote efficiency, innovation and enhanced effectiveness” after “establish”.

(d) COMMUNITY PARTICIPATION.—Section 153 (29 U.S.C. 2983) is amended—

(1) by amending subsection (a) to read as follows:

“(a) BUSINESS AND COMMUNITY PARTICIPATION.— The director of each Job Corps center shall ensure the establishment and development of the business and community relationships and networks described in subsection (b) in order to enhance the effectiveness of such center.”;

(2) by amending the text preceding paragraph (1) of subsection (b) to read as follows:

“(b) NETWORKS.— The activities carried out by each Job Corps center under this section shall include—“ ; and

(3) in subsection (c), by striking “The Liaison for” and inserting “The director of”.

(e) INDUSTRY COUNCILS.—Section 154(b) (29 U.S.C. 2894(b)) is amended—

(1) in paragraph (1)(A), by striking “local and distant”; and

(2) by adding after paragraph (2) the following:

“(3) EMPLOYERS OUTSIDE OF LOCAL AREAS.—The industry council may include, or otherwise provide for consultation with, employers from outside the local area who are likely to hire a significant number of enrollees from the Job Corps center.”.

(f) INDICATORS OF PERFORMANCE AND ADDITIONAL INFORMATION.—Section 159(c) (29 U.S.C. 2899(c)) is amended—

(1) by amending paragraph (1) to read as follows:

“(1) CORE INDICATORS.—The Secretary shall annually establish expected levels of performance for Job Corps centers and the Job Corps program relating to each of the following core indicators of performance for youth:

“(A) Entry into education, employment (including military service) or advanced training.

“(B) Attainment of a secondary school diploma, General Educational Development credential (GED), or certificate.

“(C) Literacy or numeracy gains.”; and

(2) in paragraph (2), by striking “measures” each place it appears and inserting “indicators”.

(g) AUTHORIZATION OF APPROPRIATIONS.—Section 161 (29 U.S.C. 2901) is amended by striking “1999 through 2003” and inserting “2008 through 2012”.

(h) REPEAL OF REQUIREMENT RELATING TO FEDERAL ADMINISTRATION.—Section 102 of Public Law 109-149 is repealed.

SEC. 116. NATIVE AMERICAN PROGRAMS.

(a) ADVISORY COUNCIL.—Section 166(h)(4)(C) (29 U.S.C. 2911(h)(4)(C)) is amended to read as follows:

“(C) DUTIES.—The Council shall advise the Secretary on the operation and administration of the programs assisted under this section.”.

(b) ASSISTANCE TO AMERICAN SAMOANS IN HAWAII.—Section 166 (29 U.S.C. 2911) is further amended by striking subsection (j).

SEC. 117. MIGRANT AND SEASONAL FARMWORKER PROGRAMS.

Section 167 (29 U.S.C. 2912) is repealed.

SEC. 118. VETERANS' WORKFORCE INVESTMENT PROGRAMS.

Section 168(a)(3)(C) (29 U.S.C. 2913(a)(3)(C)) is amended by striking “section 134(c)” and inserting “section 121(e)”.

SEC. 119. TECHNICAL ASSISTANCE.

Section 170 (29 U.S.C. 2915) is amended—

- (1) by striking subsection (b);
- (2) by striking “(a) GENERAL TECHNICAL ASSISTANCE—”;
- (3) by redesignating paragraphs (1), (2), and (3) as subsections (a), (b), and (c) respectively, and moving such subsections 2 ems to the left;
- (4) in subsection (a) (as redesignated by paragraph (3))—
 - (A) by inserting “the training of staff providing rapid response services, the training of other staff of recipients of funds under this title, peer review activities under this title, assistance regarding accounting and program operation practices (when such assistance would not be duplicative to assistance provided by the State), technical assistance to States that do not meet State performance measures described in section 136,” after “localities,”; and
 - (B) by striking “from carrying out activities” and all that follows up to the period and inserting “to implement the amendments made by the Workforce Investment Act Amendments of 2007”; and
- (5) by inserting, after subsection (c) (as redesignated by paragraph (3)), the following:
 - “(d) BEST PRACTICES COORDINATION.—The Secretary shall establish a system whereby States may share information regarding best practices with regard to the operation of workforce investment activities under this Act.”.

SEC. 120. DEMONSTRATION, PILOT, MULTISERVICE, RESEARCH, AND MULTISTATE PROJECTS.

(a) DEMONSTRATION AND PILOT PROJECTS.—Section 171(b) (29 U.S.C. 2916(b)) is amended—

- (1) in paragraph (1)—
 - (A) by striking “Under a” and inserting “Consistent with the priorities specified in the”;

(B) by amending subparagraphs (A) through (D) to read as follows:

“(A) projects that assist national employers in connecting with the workforce investment system established under this title in order to facilitate the recruitment and employment of needed workers and to provide information to such system on skills and occupations in demand;

“(B) projects that promote the development of systems that will improve the effectiveness and efficiency of programs carried out under this title;

“(C) projects that focus on opportunities for employment in industries and sectors of industries that are experiencing or are likely to experience high rates of growth, including those relating to information technology;

“(D) projects carried out by States and local areas to test innovative approaches to delivering employment-related services;”;

(C) by striking subparagraph (E);

(D) by redesignating subparagraphs (F) and (G) as subparagraphs (E) and (F), respectively;

(E) in subparagraph (F) (as so redesignated), by striking “; and” after the semicolon;

(F) by inserting after subparagraph (F) (as so redesignated) the following:

“(G) projects that focus on opportunities for employment in industries and sectors of industries that are being transformed by technology and innovation requiring new knowledge or skill sets for workers, including advanced manufacturing; and”; and

(H) by amending subparagraph (H) to read as follows:

“(H) projects carried out by States and local areas to assist adults or out-of-school youth in starting a small business, including training and assistance in business or financial management or in developing other skills necessary to operate a business.”; and

(2) in paragraph (2)—

(A) by striking subparagraph (B); and

(B) by redesignating subparagraph (C) as subparagraph (B).

(b) MULTISERVICE PROJECTS.—Section 171(c)(2)(B) (29 U.S.C. 2916(c)(2)(B)) is amended to read as follows:

“(B) NET IMPACT STUDIES AND REPORTS.—The Secretary shall conduct studies to determine the net impacts of programs, services, and activities carried out under this title. The Secretary shall prepare and disseminate to Congress and the public reports containing the results of such studies.”.

(c) WAIVER AUTHORITY TO CARRY OUT DEMONSTRATIONS AND EVALUATIONS.—Section 171(d) (29 U.S.C. 2916(d)) is amended to read as follows:

“(d) WAIVER AUTHORITY.—In carrying out demonstration, pilot, multiservice, research and multistate projects under this section and evaluations under section 172, the Secretary may waive any provisions of this title that the Secretary finds would prevent the Secretary from carrying out such projects and evaluations, except for provisions relating to wage and labor standards, including nondisplacement protections, grievance procedures and judicial review, and nondiscrimination.”.

SEC. 121. COMMUNITY-BASED JOB TRAINING.

Section 171 (29 U.S.C. 2916) is further amended by adding at the end the following new subsection:

“(e) COMMUNITY-BASED JOB TRAINING.—

“(1) DEMONSTRATION PROJECT.—In addition to the demonstration projects under subsection (b), the Secretary, after consultation with the Secretary of Education, may establish and implement a national demonstration project designed to develop local solutions to the workforce challenges facing high-growth, high-skill industries with labor shortages, and increase opportunities for workers to gain access to employment in high-growth, high-demand occupations by promoting the establishment of partnerships among education entities, the workforce investment system, and businesses in high-growth, high-skill industries.

“(2) GRANTS.—In carrying out the demonstration project under this subsection, the Secretary shall award competitive grants, in accordance with generally applicable Federal requirements, to eligible entities to carry out activities authorized under this subsection.

“(3) DEFINITIONS.—

“(A) ELIGIBLE ENTITY.—In this subsection, the term ‘eligible entity’ means a community college or consortium of community colleges that will work in conjunction with—

“(i) the local workforce investment system; and

“(ii) a business or businesses in a qualified industry or an industry association in a qualified industry.

“(B) QUALIFIED INDUSTRY.—In this subsection, the term ‘qualified industry’ means an industry or economic sector that is projected to experience significant growth, such as an industry or economic sector that—

“(i) is projected to add substantial numbers of new jobs to the economy;

“(ii) has significant impact on the economy;

“(iii) affects the growth of other industries and economic sectors;

“(iv) is being transformed by technology and innovation requiring new knowledge or skill sets for workers;

“(v) is a new or emerging industry or economic sector that is projected to grow; or

“(vi) has high-skilled occupations and significant labor shortages in the local area.

“(C) COMMUNITY COLLEGE.—As used in this subsection, the term ‘community college’ means an institution of higher education, as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001), that provides not less than a 2-year program that is acceptable for full credit toward a bachelor’s degree, or is a tribally controlled college or university.

“(4) AUTHORITY TO REQUIRE NON-FEDERAL SHARE.—The Secretary may require that recipients of grants under this subsection provide a non-Federal share, from either cash or noncash resources, of the costs of activities carried out under a grant awarded under this subsection.

“(5) USE OF FUNDS.—Grants awarded under this subsection may be used for--

“(A) the development, by a community college, in consultation with representatives of qualified industries, of rigorous training and education programs related to employment in a qualified industry identified in the eligible entity’s application;

“(B) the training of adults and dislocated workers in the skills and competencies needed to obtain or upgrade employment in a qualified industry identified in the eligible entity’s application;

“(C) disseminating to adults and dislocated workers, through the one-stop delivery system, information on high-growth, high-demand occupations in qualified industries;

“(D) placing, through the one-stop delivery system, trained individuals into employment in qualified industries; and

“(E) increasing the integration of community colleges with activities of businesses and the one-stop delivery system to meet the training needs for qualified industries.

“(6) APPLICATIONS.—To be considered to receive a grant under this subsection, an eligible entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including--

“(A) a description of the community college that will offer training under the grant;

“(B) an economic analysis of the local labor market to identify high-growth, high-demand industries and identify the workforce issues faced by those industries;

“(C) a description of the qualified industry for which training will be provided and the availability of competencies on which training will be based;

“(D) an assurance that the application was developed in consultation with the local board or boards in the area or areas where the proposed grant will be used;

“(E) performance outcomes for the grant, including expected number of individuals to be trained in a qualified industry, the employment and retention rates for such individuals in a qualified industry, and earnings increases for such individuals;

“(F) a description of how the activities funded by the proposed grant will be coordinated with activities provided through the one-stop delivery system in the local area or areas; and

“(G) a description of any local or private resources that will support the activities carried out under this subsection and allow the entity to carry out and expand such activities after the expiration of the grant.

“(7) FACTORS FOR AWARD OF GRANT.—

“(A) IN GENERAL.—In awarding grants under this subsection, the Secretary shall consider—

“(i) the extent of public and private collaboration, including existing partnerships among industries, community colleges, and the public workforce investment system;

“(ii) the extent to which the grant will provide job seekers with employment opportunities in high-growth, high-demand occupations;

“(iii) the extent to which the grant will expand the local one-stop delivery system's capacity to be demand-driven and responsive to local economic needs;

“(iv) the extent to which local businesses commit to hire or retain individuals who receive training through the grant; and

“(v) the extent to which the eligible entity commits to make any newly developed products, such as training curriculum, available for distribution nationally.

“(B) LEVERAGING OF RESOURCES.—In awarding grants under this subsection, the Secretary shall also consider—

“(i) the extent to which local or private resources, in addition to the funds provided under this subsection, will be made available to support the activities carried out under this subsection; and

“(ii) the ability of an eligible entity to continue to carry out and expand such activities after the expiration of the grant.

“(C) DISTRIBUTION OF GRANTS.—In awarding grants under this subsection, the Secretary shall ensure an equitable distribution of such grants across geographically diverse areas.

“(8) PERFORMANCE ACCOUNTABILITY AND EVALUATION.—

“(A) PERFORMANCE ACCOUNTABILITY.—The Secretary shall require an eligible entity that receives a grant under this subsection to report to the Secretary on the employment outcomes obtained by individuals receiving training under this subsection using the indicators of performance identified in the eligible entity's grant application.

“(B) EVALUATION.—The Secretary may require that an eligible entity that receives a grant under this subsection participate in an evaluation of activities carried out under this subsection, including an evaluation using the techniques described in section 172(c).”.

SEC. 122. EVALUATIONS.

(a) **IMPACT ANALYSIS.**--Section 172(a)(4) (29 U.S.C. 2917(a)(4)) is amended to read as follows—

“(4) the impact of receiving services and not receiving services under such programs and activities on the community, businesses, and individuals;”; and

(b) **TECHNIQUES.**— Section 172(c) (29 U.S.C. 2917(c)) is amended to read as follows:

“(c) **TECHNIQUES.**—Evaluations conducted under this section shall utilize appropriate and rigorous methodology and research designs, including the use of control groups chosen by scientific random assignment methodologies, quasi-experimental methods, impact analysis and the use of administrative data. The Secretary shall conduct an impact analysis, as described in subsection (a)(4), of the formula grant program under chapter 5 of subtitle B not later than 2010, and thereafter shall conduct such an analysis not less than once every four years.”.

SEC. 123. NATIONAL DISLOCATED WORKER GRANTS.

(a) **IN GENERAL.**- Section 173 (29 U.S.C. 2918) is amended—

(1) by amending the designation and heading to read as follows:

“SEC. 173. NATIONAL DISLOCATED WORKER GRANTS.”; and

(2) in subsection (a)—

(A) by striking “national emergency grants” in the matter preceding paragraph (1) and inserting “national dislocated worker grants”;

(B) in paragraph (1), by striking “subsection (c)” and inserting “subsection (b)”;

(C) in paragraph (3), by striking “and” after the semicolon;

(D) in paragraph (4), by striking the period and inserting “; and”;
and

(E) by inserting at the end the following new paragraph:

“(5) to provide assistance to a State to carry out rapid response activities.”.

(b) **ADMINISTRATION.**—Section 173 (29 U.S.C. 2918) is further amended—

(1) by striking subsection (b) and redesignating subsections (c) and (d) as subsections (b) and (c), respectively; and

(2) by striking subsection (e) and redesignating subsections (f) and (g) as subsection (d) and (e), respectively.

(c) ELIGIBLE ENTITIES.—Section 173(b)(1)(B) (29 U.S.C. 2918(b)(1)(B)) (as redesignated by subsection (b)(1) of this section) is amended—

(1) inserting “and” after “section 166(c),”; and

(2) striking “, and other entities” and all that follows and inserting a period.

(d) PARTICIPANT ELIGIBILITY FOR MILITARY SPOUSES.—Section 173(b)(2)(A) (29 U.S.C. 2918(b)(2)(A)) (as redesignated by subsection (b)(1) of this section) is amended—

(1) in clause (iii), by striking “ or” after the semicolon;

(2) in clause (iv)(IV) by striking the period and inserting “; or”; and

(3) by inserting at the end the following:

“(v) the spouse of a member of the Armed Forces who is on active duty or full-time National Guard duty, or who was recently separated from such duties, and such spouse is in need of employment and training assistance to obtain or retain employment.”.

(e) RAPID RESPONSE ACTIVITIES.—Section 173 (29 U.S.C. 2918) is further amended by adding at the end the following new subsection:

“(f) RAPID RESPONSE.—

“(1) IN GENERAL.—Funds made available under subsection (a)(5) may be used by a State to provide rapid response activities within the State.

“(2) APPLICATION.—To be eligible to receive a grant from funds under subsection (a)(5), a State shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.”.

(f) CONFORMING AMENDMENT.—The table of contents in section 1(b) is amended by amending the item related to section 173 to read as follows:

“Sec. 173. National dislocated worker grants.”.

SEC. 124. AUTHORIZATION OF APPROPRIATIONS FOR NATIONAL ACTIVITIES.

(a) IN GENERAL.—Section 174(a)(1) (29 U.S.C. 2919(a)(1)) is amended by striking “1999 through 2003” and inserting “2008 through 2012”.

(b) RESERVATIONS.—Section 174(b) is amended to read as follows:

“(b) TECHNICAL ASSISTANCE; DEMONSTRATION AND PILOT PROJECTS; EVALUATIONS; INCENTIVE GRANTS.—

“(1) DEMONSTRATION AND PILOT PROJECTS.—There are authorized to be appropriated to carry out section 171 such sums as may be necessary for fiscal years 2008 through 2012.

“(2) TECHNICAL ASSISTANCE, EVALUATIONS, AND INCENTIVE GRANTS.—There are authorized to be appropriated to carry out section 170, section 172, and section 136(i) such sums as may be necessary for each of fiscal years 2008 through 2012.”.

SEC. 125. REQUIREMENTS AND RESTRICTIONS.

(a) IN GENERAL.—Section 181(c)(2)(A) (29 U.S.C. 2931(c)(2)(A)) is amended in the matter preceding clause (i) by striking “shall” and inserting “may”.

(b) LIMITATIONS.—Section 181(e) (29 U.S.C. 2931(e)) is amended by—

(1) striking “employment generating activities, economic development activities,”; and

(2) striking “training for” and inserting “the entry into employment, retention in employment, or increases in earnings of”.

(c) SALARY CAP.—Section 181 (29 U.S.C. 2931) is further amended by adding at the end the following new subsection:

“(g) SALARY AND BONUS LIMITATION.—No funds provided under this title shall be used by a recipient or subrecipient of such funds to pay the salary and bonuses of an individual, either as direct costs or indirect costs, at a rate in excess of Level II of the Federal Executive Pay Schedule (5 U.S.C. 5313). This limitation shall not apply to vendors providing goods and services as defined in OMB Circular A-133. Where States are recipients of such funds, States may establish a lower limit for salaries and bonuses of those receiving salaries and bonuses from subrecipients of such funds, taking into account factors including the relative cost-of-living in the State, the compensation levels for comparable State or local government employees, and the size of the organizations that administer the programs.”.

SEC. 126. NONDISCRIMINATION.

Section 188(a)(2) (29 U.S.C. 2938(a)(2)) is amended to read as follows:

“(2) PROHIBITION OF DISCRIMINATION REGARDING PARTICIPATION, BENEFITS, AND EMPLOYMENT.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), no individual shall be excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in the administration of or in connection with, any such program or activity because of race, color, religion, sex (except as otherwise permitted under title IX of the Education Amendments of 1972), national origin, age, disability, or political affiliation or belief.

“(B) EXEMPTION FOR RELIGIOUS ORGANIZATIONS.—
Subparagraph (A) shall not apply to a recipient of financial assistance under this title that is a religious corporation, association, educational institution, or society, with respect to the employment of individuals of a particular religion to perform work connected with the carrying on by such corporation, association, educational institution, or society of its activities. Such recipients shall comply with the other requirements contained in subparagraph (A).”.

SEC. 127. ADMINISTRATIVE PROVISIONS.

(a) PROGRAM YEAR.—Section 189(g)(1) (29 U.S.C. 2939(g)(1)) is amended to read as follows:

“(1) IN GENERAL.—Appropriations for any fiscal year for programs and activities carried out under this title shall be available for obligation only on the basis of a program year. The program year shall begin on July 1 in the fiscal year for which the appropriation is made.”.

(b) AVAILABILITY.—Section 189(g)(2) (29 U.S.C. 2939(g)(2)) is amended by striking “each State receiving funds during that program year and the 2 succeeding program years” and inserting “each recipient receiving funds during that program year and the succeeding program year”.

(c) GENERAL WAIVERS.—Section 189(i)(4) (29 U.S.C. 2939(i)(4)) is amended—

(1) in subparagraph (A)—

(A) in the matter preceding clause (i), by inserting “, or in accordance with subparagraph (D)” after “subparagraph (B)”;

(B) in clause (i), by striking “allocation of funds” and all that follows up to the end of the parenthesis and inserting “and eligibility of participants” ; and

(C) by striking clause (ii), the clause (i) designation and the dash preceding such designation, and moving the remaining text flush with the preceding matter; and

(2) by adding the following subparagraph:

“(D) EXPEDITED PROCESS FOR EXTENDING APPROVED WAIVERS TO ADDITIONAL STATES.—In lieu of the requirements of subparagraphs (B) and (C), the Secretary may establish an expedited procedure for the purpose of extending to additional States the waiver of statutory or regulatory requirements that have been approved for a State pursuant to a request under subparagraph (B). Such procedure shall ensure that the extension of such waivers to additional States is accompanied by appropriate conditions relating to the implementation of such waivers.”.

(d) WORKFORCE FLEXIBILITY PLANS.—Section 192(a) (29 U.S.C. 2942(a)) is amended—

(1) in paragraph (1), by striking “allocation of funds” and all that follows through “boards”; and

(2) by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

SEC. 128. GENERAL PROGRAM REQUIREMENTS.

Section 195 (29 U.S.C. 2945) is amended, in paragraph (9), by striking subparagraph (A) and the subparagraph (B) designation.

TITLE II—AMENDMENTS TO THE WAGNER-PEYSER ACT

SEC. 201. AMENDMENTS TO THE WAGNER-PEYSER ACT.

The Wagner-Peyser Act (29 U.S.C. 49 et. seq.) is amended—

(1) by striking sections 1 through 13;

(2) in section 14, by inserting “of Labor” after “Secretary”; and

(3) in section 15—

(A) by amending the section heading to read as follows:

“SEC. 15. WORKFORCE AND LABOR MARKET INFORMATION SYSTEM.”;

(B) by striking “employment statistics system” in each place that it appears and inserting “workforce and labor market information system”;

(C) in subsection (a)(1)—

(i) by inserting “of Labor (hereafter in this section referred to as “the Secretary”)” after “Secretary”; and

(ii) by striking “of employment statistics”;

(D) in subsection (a)(2)(ii)—

(i) by striking “make any publication or media transmittal of the” and inserting “disclose to the public any”; and

(ii) by striking “individual subjects” and inserting “an individual subject”;

(E) in subsection (b)(2)—

(i) in the text preceding subparagraph (A), by striking “labor employment statistics for the system” and inserting “workforce and labor market information”; and

(ii) in subparagraph (E)(iii), by striking “, including ensuring the provision, to such States and localities, of budget information necessary for carrying out their responsibilities under subsection (e)”;

(F) by striking subsection (c) and inserting the following:

“(c) NATIONAL ELECTRONIC TOOLS TO PROVIDE SERVICES.—The Secretary is authorized to assist in the development of national electronic tools that may be used to facilitate the delivery of core services described in section 134 of the Workforce Investment Act of 1998 and to provide workforce information to individuals through the one-stop delivery systems described in section 121 of such Act and through other appropriate delivery systems.”;

(G) by amending subsection (d) to read as follows:

“(d) COORDINATION WITH THE STATES.—The Secretary, working through the Bureau of Labor Statistics, shall conduct formal

consultations, at least twice each year, with representatives from each of the six Federal regions of the Bureau of Labor Statistics elected (pursuant to a process established by the Secretary) from the State directors affiliated with State agencies that perform the duties described in subsection (e).”;

(H) by amending subsection (e) to read as follows:

“(e) STATE RESPONSIBILITIES.—

“(1) IN GENERAL.—In order to receive Federal financial assistance under this section, the Governor of a State shall—

“(A) be responsible for the management of the portions of the workforce and labor market information system described in subsection (a) that comprise a statewide workforce;

“(B) establish a process for the oversight of such system;

“(C) consult with State and local employers, participants, and local workforce investment boards about the labor market relevance of the data to be collected and disseminated through the statewide workforce and labor market information system;

“(D) consult with State educational agencies and local educational agencies concerning the provision of employment statistics in order to meet the needs of secondary school and postsecondary school students who seek such information;

“(E) collect and disseminate for the system, on behalf of the State and localities in the State, the information and data described in subparagraphs (A) and (B) of subsection (a)(1);

“(F) maintain and continuously improve the statewide workforce and labor market information system in accordance with this section;

“(G) perform contract and grant responsibilities for data collection, analysis, and dissemination for such system;

“(H) conduct such other data collection, analysis, and dissemination activities as will ensure an effective statewide workforce and labor market information system;

“(I) actively seek the participation of State and local agencies in data collection, analysis, and dissemination activities in order to ensure that the data is complementary, compatible, and useful; and

“(J) use the quarterly records described in section 136(f)(2) of the Workforce Investment Act of 1998 to assist the State and other States in measuring State progress on State performance measures.

“(2) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as limiting the ability of a Governor to conduct additional data collection, analysis, and dissemination activities with State funds or with Federal funds from sources other than this section.”; and

(I) in subsection (g), by striking “1999 through 2004” and inserting “2008 through 2012”.

TITLE III—TRANSITION AND EFFECTIVE DATE

SEC. 301. TRANSITION PROVISIONS.

The Secretary of Labor shall take such actions as the Secretary determines to be appropriate to provide for the orderly implementation of this Act.

SEC. 302. EFFECTIVE DATE.

Except as otherwise provided in this Act, this Act and the amendments made by this Act shall take effect on the date of enactment of this Act.